

Massachusetts Water Resources Authority  
Department of Telecommunications and Energy  
Boston Edison Company, D.T.E. 01-108  
Information Request: **BEC0-1-1**  
February 5, 2002  
Person Responsible: counsel  
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Information Request BECo-1-1

Please provide a copy of any contract or contracts entered into by the MWRA for electric power supply to the MWRA's Deer Island facilities after November 1, 2001 which replaced Boston Edison's supply of Standard Offer Service.

Response

A copy of the contract is provided herewith.

Information Request BECo-1-2

Please provide the MWRA's actual and/or projected cost for electric power supply under the contract or contracts referenced in the prior request, including the actual cost incurred and total kWh delivered for any historical period since November 1, 2001 and any projections (stating the basis of any assumptions) of cost and kWh that the MWRA may have for the remaining period of the contract.

Response

On November 1, 2001, MWRA entered into a 17-month contract with TransCanada for the supply of power to MWRA's Deer Island Treatment Plant. The price for power is broken into two separate components – (1) a fixed price of \$45.95 per MWh for a base load of 10 MW of electricity, ancillary services and ICAP and (2) a separate fixed price of \$4.650 per MWh for ICAP for the variable Deer Island electrical demand above 10 MW. For the variable load, MWRA purchases electricity and ancillary services at spot market clearing prices during the term of the contract. It should be noted that on January 1, 2002 MWRA enrolled in the ISO-NE Type 2 Load Curtailment Program that could result in credits under the TransCanada contract.

During the first two months of the contract, MWRA incurred the following costs:

Month	Total TransCanada Cost	Total MWh Purchased
November 2001	\$444,562.38	10,825
December 2001	\$423,836.93	9,977

Actual costs for the remainder of the contract are difficult to project as they are subject to variability in Deer Island's power demand as well as variability in spot market pricing. Power demand at Deer Island depends, in large part, on the flow of wastewater to the treatment plant. During rain events, Deer Island experiences higher demand due to increased flows from combined sanitary sewers and storm sewers in MWRA's service territory. During periods of extended dry weather, Deer Island experiences lower demand. That said, MWRA has budgeted the following monthly usages and expenses for electricity at Deer Island. The cost per MWh is based on the assumption that, over the term of the contract, the fixed and variable loads will have the same unit cost. The usage projections are based on historical data on monthly power demand. These numbers were developed for budgeting purposes and do not necessarily represent actual future costs and consumption.

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<b>Month</b>	<b>Projected Cost per MWh (Excluding BECo Charges)</b>	<b>Projected MWh Purchased</b>
January 2002	\$45.95	9,081
February 2002	\$45.95	10,780
March 2002	\$45.95	12,100
April 2002	\$45.95	11,658
May 2002	\$45.95	8,707
June 2002	\$45.95	10,120
July 2002	\$45.95	10,137
August 2002	\$45.95	11,142
September 2002	\$45.95	10,616
October 2002	\$45.95	9,961
November 2002	\$45.95	10,384
December 2002	\$45.95	9,263
January 2003	\$45.95	9,813
February 2003	\$45.95	10,739
March 2003	\$45.95	12,019